

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1116  
**Version:** First committee engrossment

**DATE:** March 20, 2009

**Authors:** Davnie

**Subject:** DEED Policy and Technical Bill

**Analyst:** Anita Neumann (651-296-5056)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

### Section

#### Article 1: Policy

- 1 & 2 Bioscience Business Development Infrastructure.** Expands the list of entities eligible as local government entities to participate in the Bioscience Business Development Infrastructure grant program funded with bond proceeds.
- 3 & 4 Minnesota Investment Fund.** Expands the authorized uses of the Minnesota Investment Fund (MIF) to include renewable energy investments including low interest loans for equipment manufacturing, workforce training grants, development of a renewable energy supply chains and external marketing. These activities would not be subject to the 50 percent of project cost limitation.
- 5 Blind vendors.** Specifies that DEED is not liable under state workers compensation laws for any injury incurred by a blind vendor's employee or agent; that the department is not liable for the acts or omissions of a blind vendor, or employee or agent of the vendor that result in the blind vendor's liability to a third party; and that the department is not liable for negligence based on a relationship with a blind vendor.
- 6 Application.** Removes obsolete language related to budget plans and establishes a new requirement to provide audited financial statements.

#### Article 2: Technical Changes

- 1 Agreements.** Clarifies that the department may enter into agreements with regional entities to prepare plans to ensure coordination for workforce development functions.

- 2       **Vehicles.** Updates the statute to correspond with a 2007 session change that transferred investigative staff to the Department of Commerce.
- 3       **Identification and classification.** Updates statute to reflect DEED rather than the Department of Energy, Planning and Development.
- 4       **Receipts.** Recodifies statutory language regarding revenues received by the department into chapter 116J.
- 5       **Duties.** Recodifies the duties, authorizations and limitations statutorily placed upon the department into one section of Chapter 116J.
- 6       **Duties.** Eliminates an obsolete reference to Minnesota Project Outreach Corporation which was repealed last year. This change occurs within the Bureau of Small Business section of law.
- 7       **Technical.** Eliminates references to the start up terms of Jobs Skills Partnership Board members.
- 8       **Workforce development funds.** Clarifies that workforce development funds may be used for low income worker training programs.
- 9       **Technical.** Removes an obsolete date reference.
- 10      **Displaced homemaker program.** Updates the department to DEED rather than economic security.
- 11      **Resources and referral.** Updates an obsolete reference to the Job Skills Partnership (now the Workforce Investment Act).
- 12      **Local education and employment transitions system.** Same update as previous section.
- 13      **Revenue.** Updates reference to Explore Minnesota Tourism (previously called the Office of Tourism).
- 14      **MINNCORR.** Updates references to DEED rather than economic security.
- 15      **Library.** Updates the name reference from the State Library for the Blind and Physically Handicapped to the Minnesota Braille and Talking Book Library.
- 16      **Vending machines.** Provides for the sharing of federal revenue with blind vendors.
- 17      **County and tribal service agreements.** Eliminates an obsolete reference.
- 18      **On the job training.** Updates an old reference to the Job Training Partnership Act to the Workforce Investment Act.
- 19      **Evaluation of applications.** Same update as previous section.
- 20      **Revisor instructions.**
- 21      **Repealers.**

## Article 3: Unemployment Insurance Policy

- 1 & 2      Reimbursable account.** Eliminates a step used by nonprofit or government entities in the process of switching between paying unemployment insurance taxes or reimbursing the state for unemployment benefits paid. The stricken requirement allowed reimbursable account to be terminated only if the employing entity paid taxes of at least 125 percent of the unemployment benefits used in computing the experience rating.
- 3            Cancellations.** Allows the commissioner to cancel at any time, unemployment interest, penalties, or fees due if pursuing collection is not in the public interest. This authority to cancel does not apply to unemployment taxes or reimbursements.
- 4            Compromise.** Removes the requirement that a compromise amount exceeding \$2,500 be authorized by a DEED attorney.
- 5            Applications and benefit account.** Modifies the conditions under which an applicant can withdraw a benefit account to strike the requirement that an applicant has not served the waiting week. The applicant, however, must not have received unemployment benefits.
- 6            Payment that delay benefits.** Provides that early distributions from a 401k or similar plan for which federal penalties have been paid, do not delay the payment of unemployment benefits.
- 7            Back pay.** Provides that back pay received within 24 months of when a benefit account was established are deducted from unemployment insurance benefits.
- 8            Available for suitable employment.** Strikes reference to “labor market area” and “transportation throughout the labor market area” in defining available for suitable employment.
- 9            Quit.** Adds “preponderance of evidence” language in determining benefit ineligibility in circumstances when an applicant quits employment.
- 10          Quit defined.** Clarifies the status of a person working for a temporary agency who accepts employment with a client of the staffing service.
- 11          Appeals.** Requires online appeal filings if an agent files an appeal on behalf of an employee.
- 12          Collection fees.** Provides that if the IRS assesses a fee to the state for offsetting a fraud assessment against federal tax refund, the fee charged may be added to the total amount due.
- 13          Audits.** Authorizes a \$100 fee against an employer failing to provide an applicant’s weekly earnings breakdown if requested to do so by the commissioner.
- 14          Dislocated under program.** Waives the “available for suitable work” requirement for individuals participating in an entrepreneurship program.
- 15          Effective dates.**

## Article 4: Unemployment Insurance Technical Changes

- 1        **Standard of proof.** Specifies all facts under unemployment insurance law are determined by a preponderance of evidence; strikes definition.
- 2        **Rounding.** Provides that all computations must be rounded down to the nearest dollar amount.
- 3        **Agricultural employment.** Technical change; changes “shall not be” to “is not.”
- 4        **Independent contractors.** Clarifies that the independent contractor qualifications in section 181.723 determines independent contractor status for building construction contractors.
- 5        **Determination.** Provides a definition.
- 6        **Filing.** Clarifies definitions.
- 7        **Preponderance of evidence.** Reestablishes definition.
- 8        **Elections for covered employment.** Clarifies that elections to have noncovered employment be considered covered employment apply to all employees in that class of employment.
- 9        **Determinations of coverage.** Technical.
- 10       **Timely filing of reports.** Technical.
- 11       **General rule.** Conforms to rounding convention.
- 12       **Charge back exception.** Removes small employers in the tourism or recreation from the exemption for being assessed for benefits paid out.
- 13       **Payments.** Provides for rounding convention.
- 14       **Experience rating.** Technical; changes “experience rating” to “assigned tax rate.”
- 15       **Costs.** Technical.
- 16       **Interest.** Provides for rounding convention.
- 17       **Debt notice.** Technical.
- 18       **Requirements.** Technical.
- 19       **Applications and determinations.** Clarifying change.
- 20       **Account requirement.** Provides for rounding convention.
- 21       **Second benefit accounts.** Technical.
- 22       **Personal identification.** Statutory reference change.
- 23       **Eligibility.** Statutory reference change; adds requirement that applicant be actively seeking

work except in circumstances when an applicant is on jury duty or in reemployment assistance training.

- 24      **Not eligible.** Provides rounding convention.
- 25      **Workers' compensation/disability offset.** Technical.
- 26      **Social Security benefits.** Clarifying language.
- 27      **Deductible earnings.** Provides for rounding convention.
- 28      **Continued requests.** Clarifying language.
- 29      **Discharge.** Requires preponderance of evidence.
- 30      **Ineligibility.** Prohibits the use in establishing a benefit account of wage credits earned during employment that resulted in a discharge due to aggravated misconduct.
- 31      **Application.** Technical.
- 32      **Notification.** Technical.
- 33      **Determination.** Strikes "without regard to any burden of proof" in relation to information provided by applicant or employer on issues of benefit ineligibility.
- 34      **Commissioner's discretion.** Technical.
- 35      **Hearings.** Requires notice that the judge will decide based on a preponderance of evidence and explain what that means.
- 36      **Request for reconsideration.** Technical.
- 37      **Decisions.** Clarifying change.
- 38      **Oaths, subpoenas.** Requires unemployment insurance judge to give full consideration to a request for subpoenas and specifies that judge can't unreasonably deny a request. Requires reconsideration.
- 39 & 40      **Maximums.** Technical; strikes reference to rounding.
- 41      **Weekly benefits.** Technical; strikes reference to rounding.
- 42      **Notification.** Technical; strikes reference to rounding.
- 43 & 44      **Overpayments.** Technical.
- 45      **Administration.** Clarifying.
- 46      **Wrongful use.** Strikes reference to Wagner-Peyser Act.
- 47      **Contingent account.** Technical.
- 48      **Telephone system.** Technical.
- 49      **Revisor instructions.**

<b>50</b>	<b>Repealers.</b>
<b>51</b>	<b>Effective dates.</b>